

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

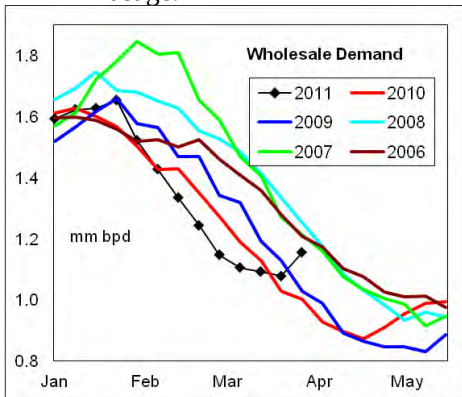
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 06, 2011

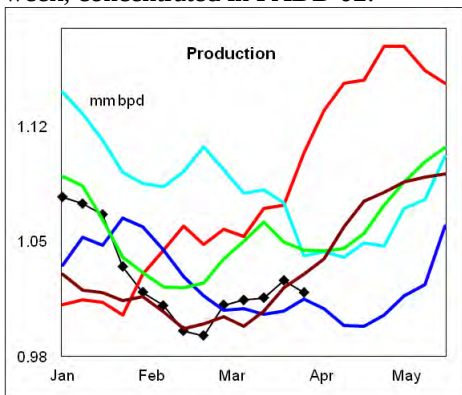


Summary¹:

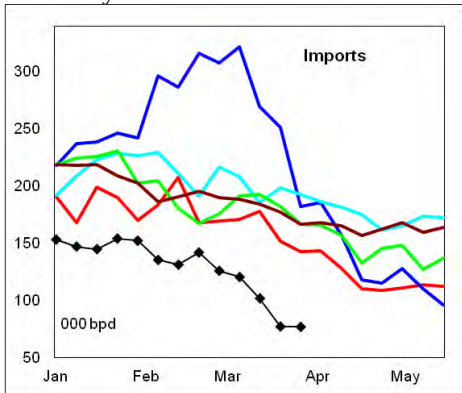
Wholesale demand increased +156,000 bpd last week, on a late season jump in PADD 2 usage.



Production increased +6,000 bpd on the week, concentrated in PADD 02.



Imports increased +3,000 bpd on the week, although the level remains extremely low.

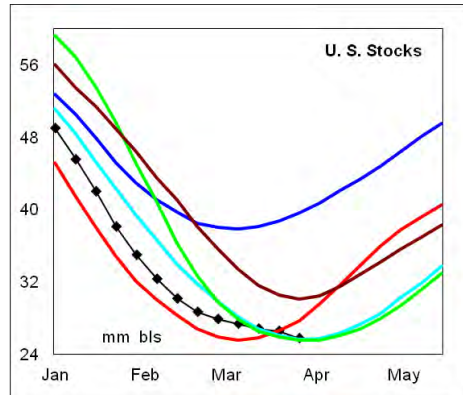


Combined production and imports during the latest 4-wk period were -108,000 bpd below a year ago.

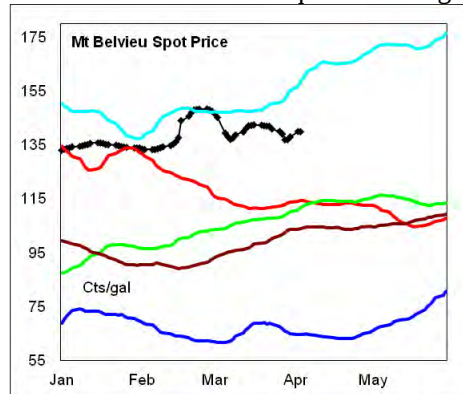
¹ Source is latest EIA Weekly Statistics

Production was -40,000 bpd below last year, while imports were -68,000 bpd lower. The latest 4-wk average demand was +22,000 bpd above last year.

Stocks decreased -1.1 million barrels this week, including a -0.1 million barrel decline in propylene stocks. The 4-wk stock draw was greater than the last 2-years, with the stock level near 5-year lows.



Price and Spreads Mt Belvieu spot prices increased +6 cpg while Conway increased +8 cpg for the week ending 05Apr11. The price level ended the week in line with the 1st quarter average.



The Conway – Mt Belvieu price spread decreased last week in favor of Conway. The spread ended the week at the highest level in favor of Conway for the last 60-days.

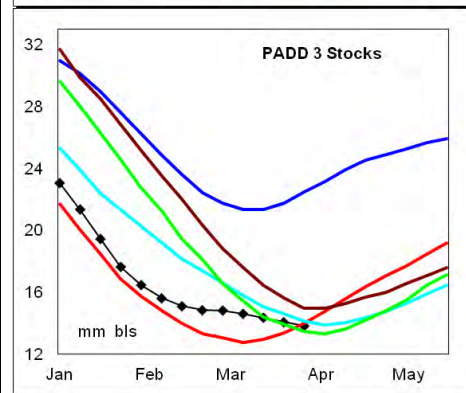
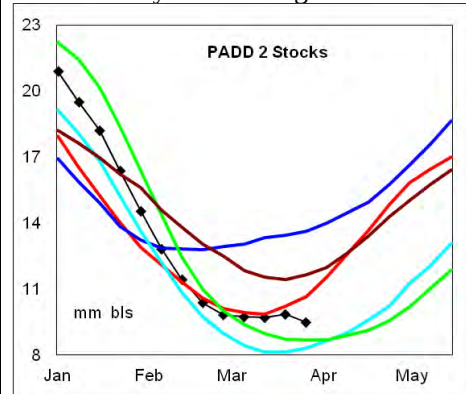
The propane to natural gas price spread trended lower on the week as gas prices strengthened. The spread remains above the 5-year range.

The propane / crude oil price spread traded sideways last week at a level that matched 5-year lows.

PADD 1 stocks decreased -0.2 million

bpd last week, with the level below the 5-year range. Supply for the latest 4-wk period was -20,000 bpd below a year ago.

PADD 2 stocks fell -1 million barrels last week on a late season surge in demand. Supply increased +7,000 bpd on the week. The latest 4-wk average supply was -62,000 bpd below a year ago, on lower imports. Stock levels fell below the 5-year mid range.



PAD 3 stocks increased +0.1 million barrels on the week, including a -0.1 million barrel drop in propylene stocks. The latest 4-wk average supply was -33,000 bpd below a year ago. Stock levels ended the week at the 5-year mid range.

PADDs 4 & 5 stocks were unchanged on the week, with the level below the 5-year range.

Emerging Trends A late winter jump in midwest demand and higher global energy prices lifted propane prices last week. With the heating season now at an end, prices will be impacted by global energy price trends and export demand; both of which support price strength.



PROPANE: Graph Link and Weekly Summary

April 6, 2011

Fundamental Trends for the Week Ending:

Friday, April 01, 2011

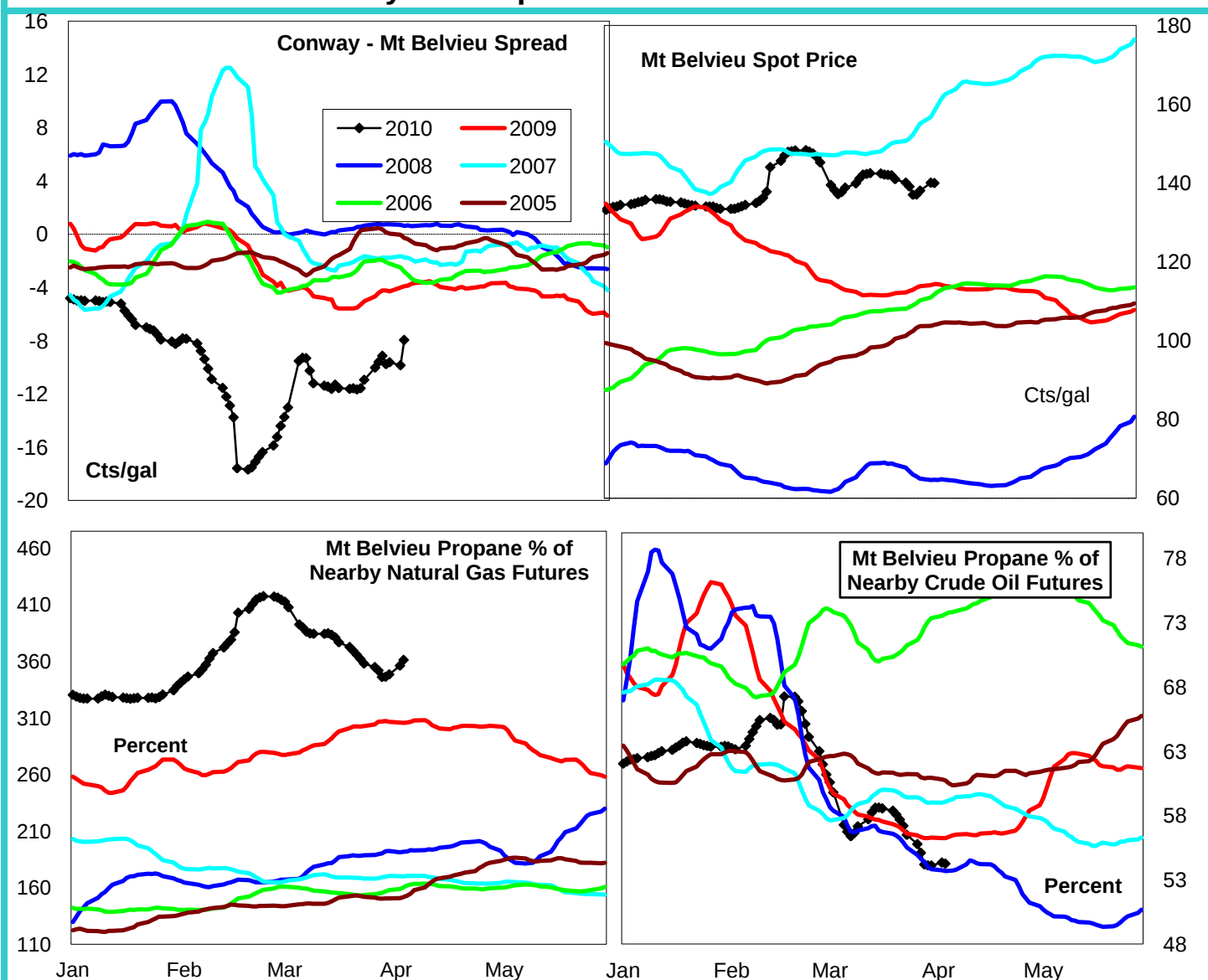
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	25,763	1,917	9,478	13,820	548	-1,132	-245	-958	83	-12
Propylene Stocks	1,630					-106				
Production	1,019	37	241	683	58	6	-3	6	3	0
Imports	77	24	41	0	12	3	5	1	0	-3
Whsle Demand	1,156					156				

Price Trends for the Week Ending:

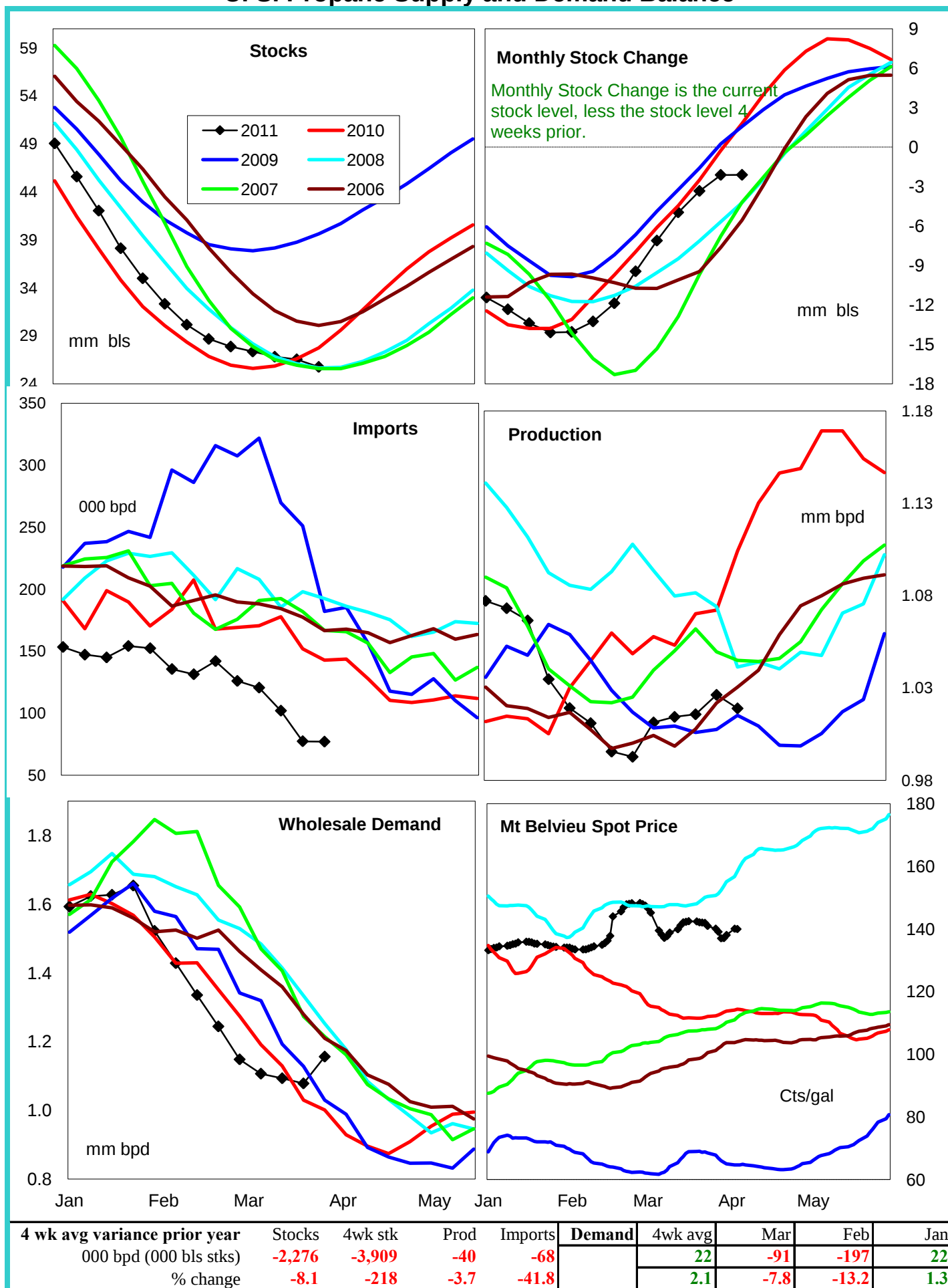
Tuesday, March 29, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/29/11	3/22/11	3/1/11	3/26/10	3/22/11	3/1/11	3/26/10	3/22/11	3/1/11	3/26/10
Mont Belvieu Spot	138.0	137.6	138.8	115.0	0.48	-1.22	23.74	0.3	-0.9	20.6
Conway Spot	128.4	128.6	128.9	111.1	-0.16	-0.36	17.88	-0.1	-0.3	16.1

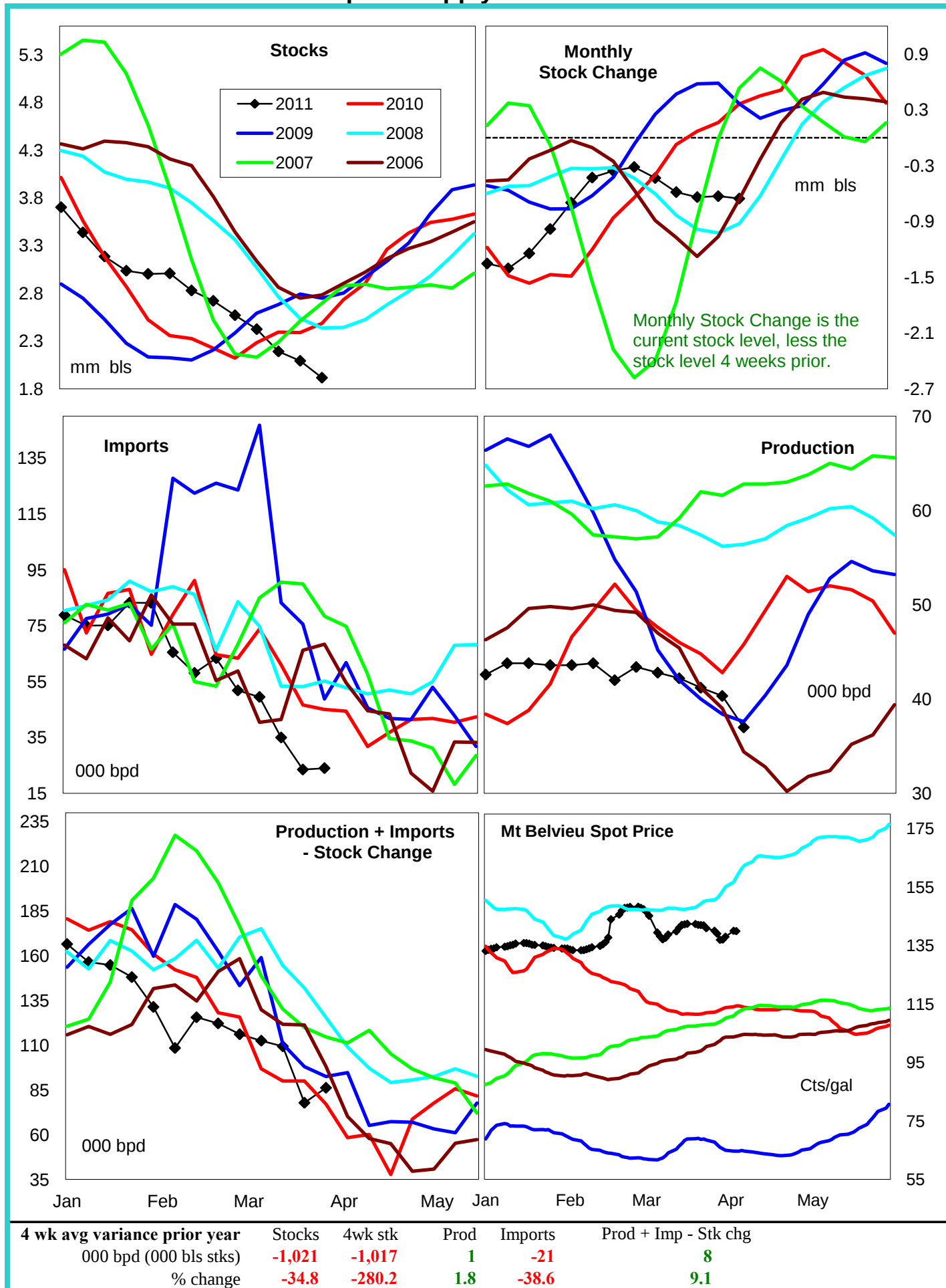
Key Price Spreads and Differentials



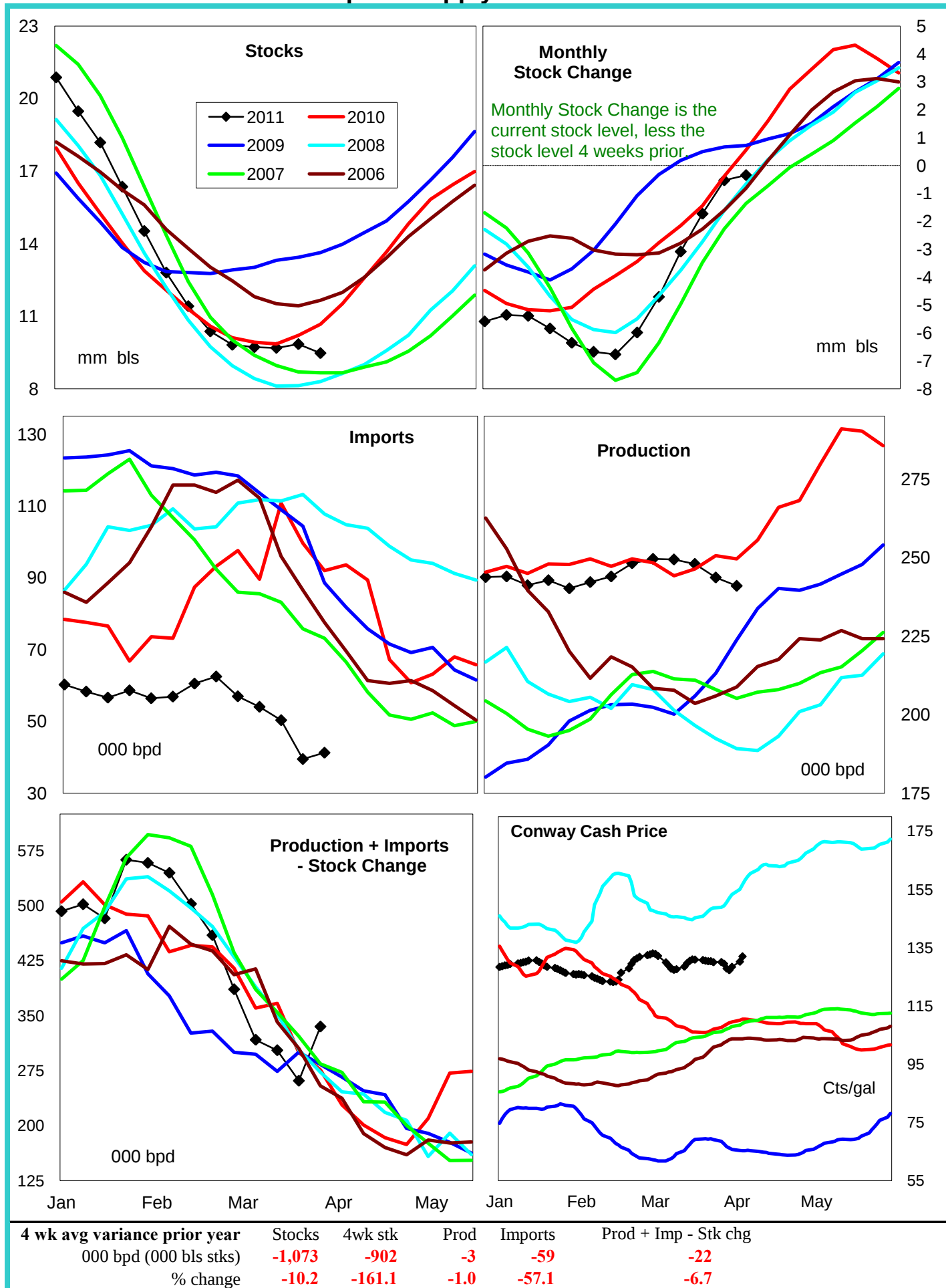
U. S. Propane Supply and Demand Balance



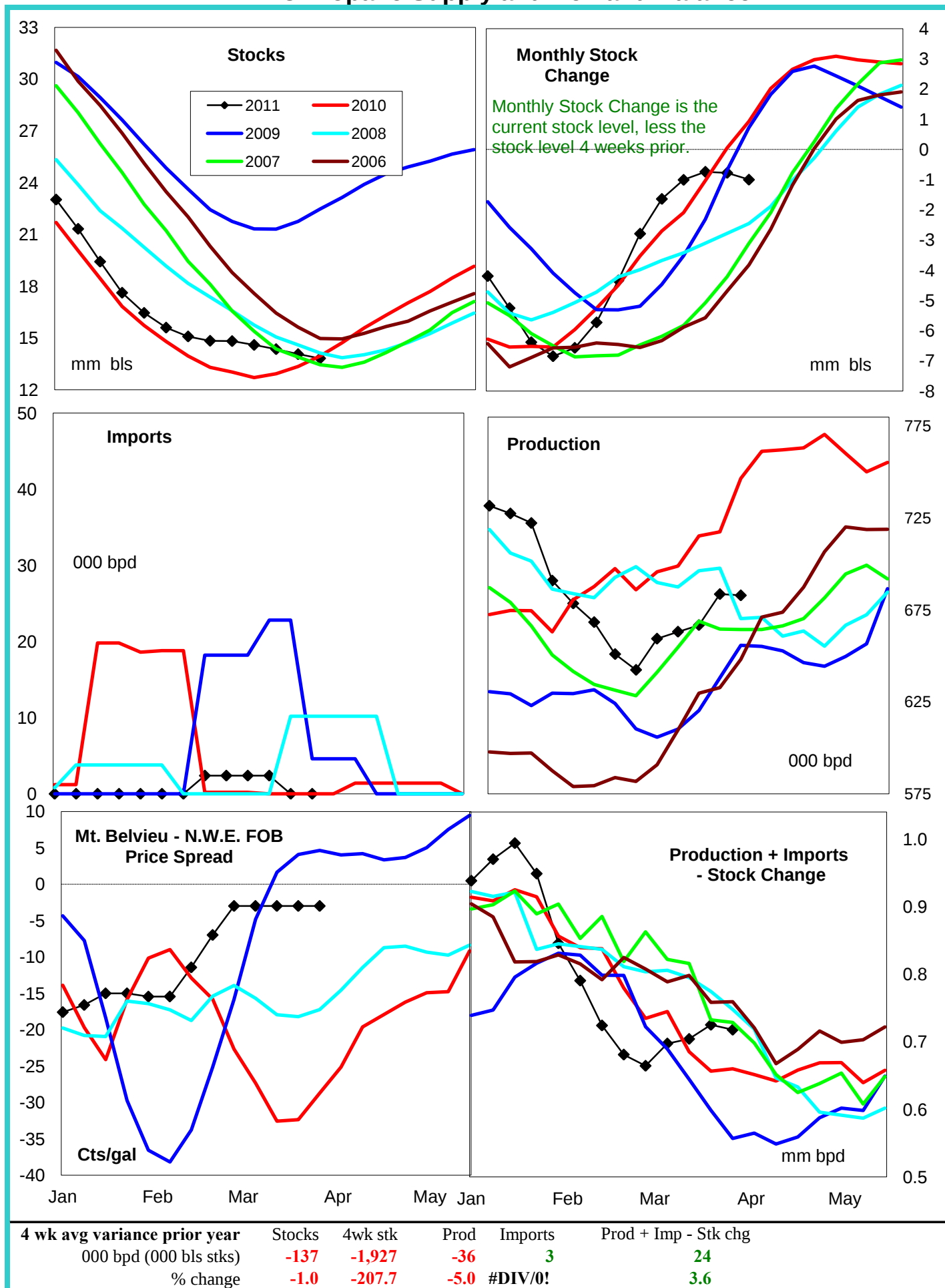
PADD 1 Propane Supply and Demand Balance



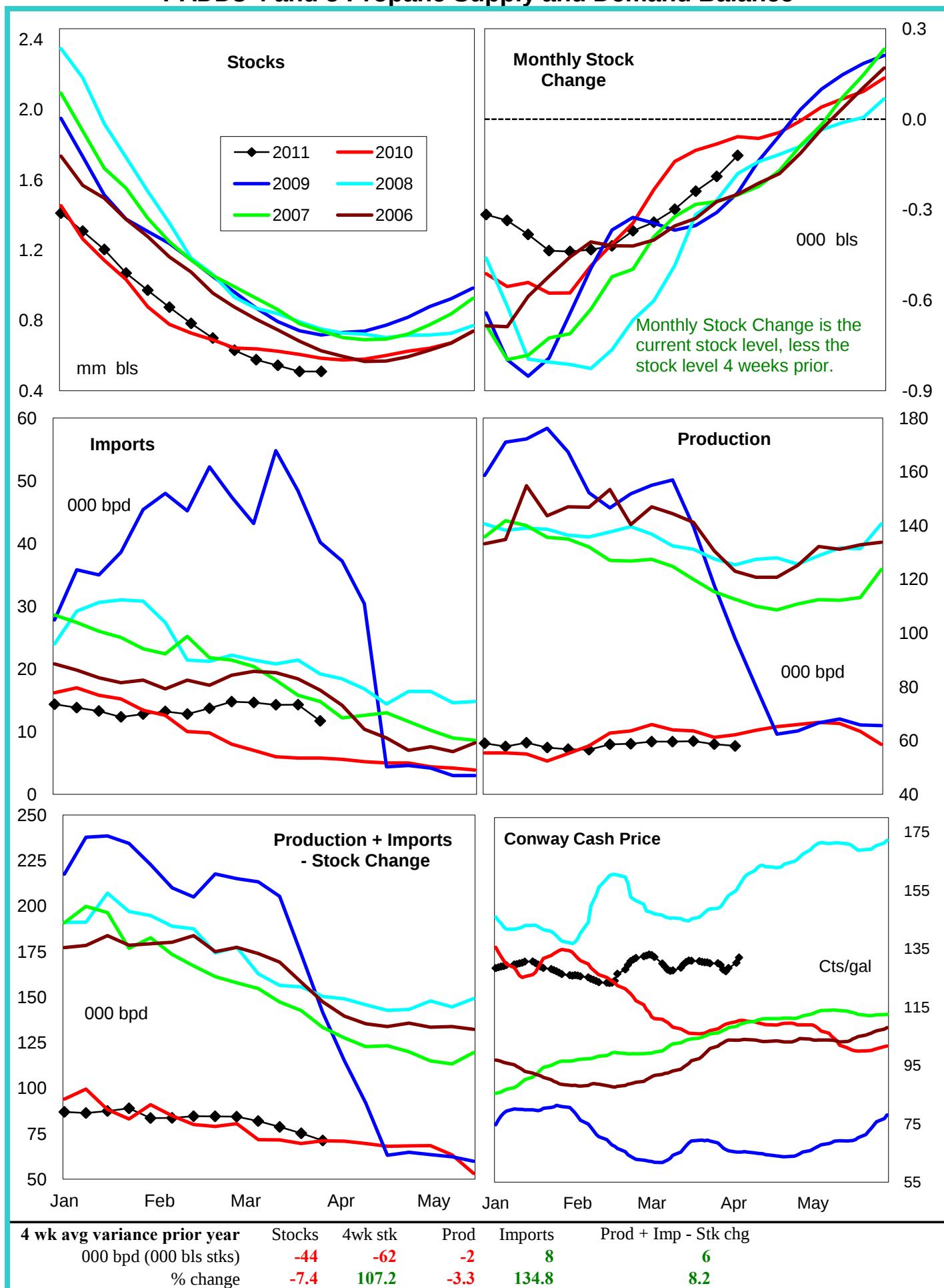
PADD 2 Propane Supply and Demand Balance



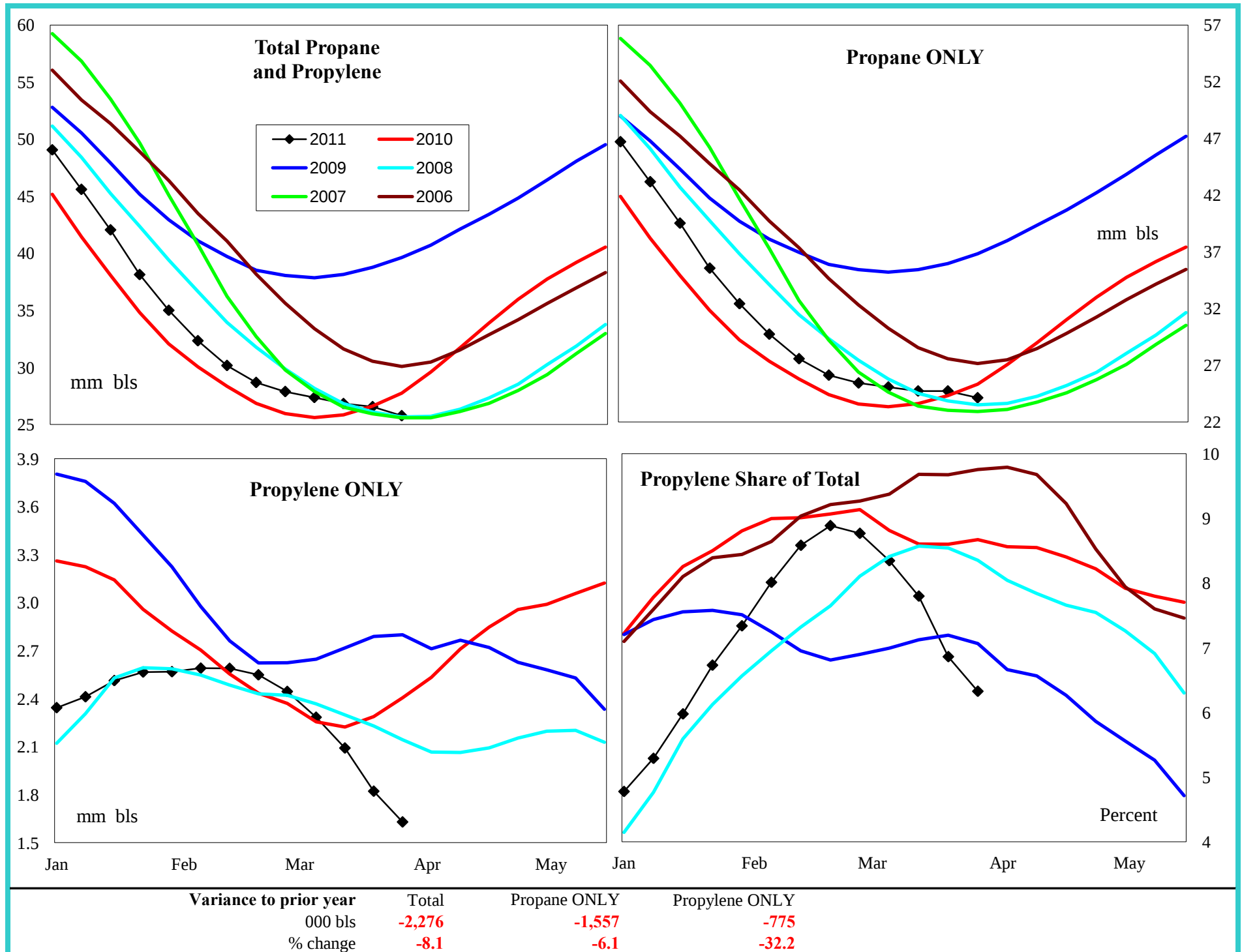
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



U. S. Petroleum Administrative for Defense Districts (PADDs)

